

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
56th LEGISLATURE - REGULAR SESSION**

JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG-RANGE PLANNING

Call to Order: By **CHAIRMAN ERNEST BERGSAGEL**, on January 15, 1999
at 8:00 A.M., in Room 317 Capitol.

ROLL CALL

Members Present:

Rep. Ernest Bergsagel, Chairman (R)
Sen. Tom A. Beck, Vice Chairman (R)
Sen. J.D. Lynch (D)
Rep. Matt McCann (D)
Sen. Chuck Swysgood (R)
Rep. Tom Zook (R)

Members Excused: None.

Members Absent: None.

Staff Present: Cassandra Drynan, Committee Secretary
Jane Hamman, OBPP
Pam Joehler, Legislative Branch

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: **HOUSE BILL 11** - TREASURE STATE
ENDOWMENT PROGRAM & **HOUSE BILL**
6 - RENEWABLE RESOURCE GRANT
APPLICATIONS, 1/15/99

Executive Action: **HOUSE BILL 10** - OIL OVERCHARGE

**JOINT HEARING ON HB 11 AND HB 6 - TREASURE STATE ENDOWMENT
PROGRAM & DEPARTMENT OF NATURAL RESOURCES & CONSERVATION;
RENEWABLE RESOURCE GRANT APPLICATIONS**

TSEP PROJECT NO. 16 / DNRC PROJECT NO. 33 - TOWN OF GERALDINE

Mr. Jim Edgcomb, manager of the TSEP program, reviewed the waste water project and the department's recommendations.

Mr. Bob Fischer, with the DNRC, reviewed the project and the department's recommendations.

{Tape : 1; Side : A; Approx. Time Counter : 0 - 1.2}

Mr. Tim Mattick, Mayor of Geraldine, gave a short presentation.

{Tape : 1; Side : A; Approx. Time Counter : 1.2 - 3.1}

Mr Scott Anderson, with Neil Consultants, gave a technical presentation. Questions were asked.

{Tape : 1; Side : A; Approx. Time Counter : 3.2 - 9.2}

TSEP PROJECT NO. 1 / DNRC PROJECT NO. 5 - HARRISON WATER & SEWER DISTRICT

Mr. Nick Rich, with TSEP, reviewed the waste water project and the department's recommendations.

Mr. Bob Fisher reviewed the project and the DNRC's recommendations.

{Tape : 1; Side : A; Approx. Time Counter : 9.3 - 10.6}

Mr. Lewis Stahl, with the Harrison Water & Sewer District, gave a short presentation. **EXHIBIT(jlh11a01)**

{Tape : 1; Side : A; Approx. Time Counter : 11.1 - 17.3}

REP. KARL OHS spoke on behalf of the project and mentioned that **SEN. SWYSGOOD** wished to be recorded as a proponent of the project.

CHAIRMAN BERGSAGEL asked why a community of retired people needed to expand their school. **REP. OHS** responded.

{Tape : 1; Side : A; Approx. Time Counter : 17.3 - 19.9}

TSEP PROJECT NO. 8 / DNRC PROJECT NO. 43 - RAE WATER & SEWER DISTRICT

Mr. Nick Rich reviewed the waste water project and TSEP's recommendations.

Mr. Bob Fischer reviewed the project and the DNRC's recommendations.

{Tape : 1; Side : A; Approx. Time Counter : 20 - 22.6}

Mr. David King, Manager of the Rae Water & Sewer District, gave a short presentation and requested a \$500,000 grant.

{Tape : 1; Side : A; Approx. Time Counter : 22.7 - 25.7}

CHAIRMAN BERGSAGEL asked if the SBR (sequencing batch reactor) technology for the project was reliable and if there was a back up plan if not.

{Tape : 1; Side : A; Approx. Time Counter : 25.8 - 26.2}

Mr. Don Heck, Member of the Board of Directors, spoke on behalf of the project.

{Tape : 1; Side : A; Approx. Time Counter : 27.5 - 28.4}

TSEP PROJECT NO. 19 / DNRC PROJECT NO. 30 - SWEETGRASS WATER & SEWER DISTRICT

Mr. Dave Cole, with TSEP, reviewed the waste water project and the department's recommendations.

CHAIRMAN BERGSAGEL asked why Sweetgrass had lost their CDBG grant. **Mr. Cole** responded.

{Tape : 1; Side : A; Approx. Time Counter : 28.5 - 30.8}

Mr. Bob Fischer reviewed the project and the DNRC's recommendation.

{Tape : 1; Side : A; Approx. Time Counter : 31.1 - 31.5}

Ms Mary Ann Comstock, Member of the Board for the Sweetgrass Water & Sewer District, gave a short presentation and discussed the issue of expansion in the town of Sweetgrass.

{Tape : 1; Side : A; Approx. Time Counter : 31.5 - 1:B:3.8}

Mr. Jim Richards, Grant Writer, spoke on behalf of the project.

{Tape : 1; Side : B; Approx. Time Counter : 3.9 - 5.2}

TSEP PROJECT NO. 26 / DNRC PROJECT NO. 58 - WILLOW CREEK SEWER DISTRICT

Mr. Jim Edgcomb reviewed the waste water project and TSEP's recommendations.

Mr. Bob Fischer reviewed the project and the DNRC's recommendations.

{Tape : 1; Side : B; Approx. Time Counter : 5.3 - 7.2}

Mr. Jim Richards, spoke on behalf of the Willow Creek Sewer District and defended the project.

{Tape : 1; Side : B; Approx. Time Counter : 7.3 - 11.1}

REP. BECK asked why the district scored so low on the technical design. **Mr. Richards** responded.

{Tape : 1; Side : B; Approx. Time Counter : 11.2 - 13.4}

Mr. Bob Fischer commented. Discussion followed.

{Tape : 1; Side : B; Approx. Time Counter : 13.4 - 18.6}

Mr. Jim Edgcomb commented. Discussion followed.

{Tape : 1; Side : B; Approx. Time Counter : 18.7 - 20.8}

TSEP PROJECT NO. 12 / DNRC PROJECT NO. 21 - TOWN OF BOULDER

Mr. Dave Cole reviewed the water project and TSEP's recommendations. He then asked the committee to vote on the policy issue that a town must be paying the minimum target rate before funds would be approved. Discussion followed.

{Tape : 1; Side : B; Approx. Time Counter : 20.7 - 30.7}

Motion/Vote: **SEN. LYNCH** moved that the minimum target rate requirement **BE ADOPTED. Motion carried unanimously.**

{Tape : 1; Side : B; Approx. Time Counter : 30.7 - 31}

Mr. Bob Fischer reviewed the project and the DNRC's recommendations.

{Tape : 1; Side : B; Approx. Time Counter : 31.1 - 32.4}

REOPENED WILLOW CREEK SEWER DISTRICT HEARING

Ms. Joanne Comer, Secretary Treasurer of the Board and Plant Operator, gave a technical presentation.

{Tape : 2; Side : A; Approx. Time Counter : 0.2 - 3.5}

CHAIRMAN BERGSAGEL discussed difficulties with the project.

{Tape : 2; Side : A; Approx. Time Counter : 3.5 - 4.8}

Ms. Marlene Vandolah, board member, spoke on behalf of the project.

{Tape : 2; Side : A; Approx. Time Counter : 4.9 - 7.6}

RESUMED TOWN OF BOULDER HEARING

Mr. Dave Cole recapped the previous decision made by the committee concerning the Boulder project and the minimum target rate requirement.

{Tape : 2; Side : A; Approx. Time Counter : 8.6 - 9.6}

Mr. John Leary, Town Administrator, gave a short presentation and explained that the town of Boulder had understood, that with their 110 percent increase in water rates, they were at the target rate and that it was a surprise to hear that they were not. Questions were asked. Discussion followed

{Tape : 2; Side : A; Approx. Time Counter : 9.7 - 17.6}

TSEP PROJECT NO. 37 / DNRC PROJECT NO. 38 - TOWN OF EUREKA

Mr. Nick Rich reviewed the waste water project and TSEP's recommendations.

{Tape : 2; Side : A; Approx. Time Counter : 18.9 - 20.9}

Mr. Bob Fischer reviewed the project and the DNRC's recommendations. Discussion followed

{Tape : 2; Side : A; Approx. Time Counter : 21 - 24.6}

TSEP PROJECT NO. 2 - ARLEE WATER & SEWER DISTRICT

Mr. Nick Rich reviewed the water and sewer project and the department's recommendations.

{Tape : 2; Side : A; Approx. Time Counter : 25.2 - 27.6}

REP. LYNCH asked for an explanation of the formula used to determine the minimum target rate. **Mr. Nick Rich** responded. Discussion followed.

{Tape : 2; Side : A; Approx. Time Counter : 27.7 - 32.8}

TSEP PROJECT NO. 4 / DNRC PROJECT NO. 15 - CITY OF MISSOULA

Mr. Nick Rich reviewed the water project and TSEP's recommendations.

Mr. Bob Fischer reviewed the project and the DNRC's recommendations.

{Tape : 2; Side : B; Approx. Time Counter : 0.6 - 2.7}

Mr. Gary Hein, Consulting Engineer, gave a short presentation.

{Tape : 2; Side : B; Approx. Time Counter : 2.9 - 5.3}

CHAIRMAN BERGSAGEL mentioned that **REP. CAROLYN SQUIRES** and **MAYOR KADAS** wished to go on the record in support of the project.

TSEP PROJECT NO. 31 - MIDVALE WATER & SEWER DISTRICT

Mr. Nick Rich reviewed the water project and the department's recommendations.

{Tape : 2; Side : B; Approx. Time Counter : 5.6 - 7.3}

TSEP PROJECT NO. 32 - TOWN OF SHELBY

Mr. Nick Rich reviewed the water project and the department's recommendations. Questions were asked.

{Tape : 2; Side : B; Approx. Time Counter : 7.3 - 10.1}

TSEP PROJECT NO. 39 - TOWN OF CULBERTSON

Mr. Nick Rich reviewed the waste water project and the department's recommendations. Questions were asked.

{Tape : 2; Side : B; Approx. Time Counter : 10.2 - 12.8}

TSEP PROJECT NO. 38 - CITY OF HARDIN

Mr. Jim Edgcomb reviewed the waste water project and the department's recommendations.

{Tape : 2; Side : B; Approx. Time Counter : 12.8 - 15.3}

TSEP PROJECT NO. 41 - TOWN OF FORSYTH

Ms. Nancy Guccione, with TSEP, reviewed the waste water project and the department's recommendations.

{Tape : 2; Side : B; Approx. Time Counter : 15.4 - 16.9}

CHAIRMAN BERGSAGEL requested the medium income analysis formula used by TSEP.

**JOINT HEARING ON HB 11 AND HB 6 - TREASURE STATE ENDOWMENT
PROGRAM & DEPARTMENT OF NATURAL RESOURCES & CONSERVATION;
RENEWABLE RESOURCE GRANT APPLICATIONS**

CLOSED

HOUSE BILL 10 - OIL OVERCHARGE - EXECUTIVE ACTION

Motion/Vote: SEN. BECK moved that HB 10 DO PASS. Motion carried unanimously.

{Tape : 2; Side : B; Approx. Time Counter : 21.5 - 21.8}

Motion/Vote: SEN. BECK moved that HB 10 BE AMENDED BY REMOVING SECTION 6. Motion carried unanimously. Discussion followed

{Tape : 2; Side : B; Approx. Time Counter : 21.9 - 23.1}

Motion/Vote: SEN. LYNCH moved to INCREASE THE FUNDING FOR SECTION 8, THE FOOD BANK, FROM \$5000.00 TO \$5500.00. Motion carried unanimously. Discussion followed.

{Tape : 2; Side : B; Approx. Time Counter : 23.2 - 23.9}

CHAIRMAN BERGSAGEL inquired about outstanding balances.

Ms. Ann Danzer, Department of Environmental Quality, answered questions.

Motion: SEN. LYNCH moved to ADOPT THE AMENDMENT TO HB 10 EXHIBIT (j1h11a02). Discussion followed.

{Tape : 2; Side : B; Approx. Time Counter : 24 - 25.5}

Ms. Lou Moore, Bureau Chief of Pollution Control, DEQ, answered questions.

{Tape : 2; Side : B; Approx. Time Counter : 25.5 - 26.3}

Vote: The question was called for on SEN LYNCH'S MOTION. Motion carried unanimously.

{Tape : 2; Side : B; Approx. Time Counter : 26.3 - 26.6}

Motion/Vote: SEN BECK moved HB 10 DO PASS AS AMENDED. Motion carried with CHAIRMAN BERGSAGEL voting no.

{Tape : 2; Side : B; Approx. Time Counter : 26.6 - 27.6}

HOUSE BILL 10 - OIL OVERCHARGE - EXECUTIVE ACTION

CLOSED

Ms. Mae Nan Ellinson, Attorney, spoke about CI-75 and how it impacts the bonding program. Comments were made.

{Tape : 2; Side : B; Approx. Time Counter : 27.6 - 3:A:5.9}

REP. BECK asked if the vote of the people was necessary to sell the bonds that were approved last session. **Ms. Ellinson** responded and stated that the nature of the bonds had changed.
{Tape : 3; Side : A; Approx. Time Counter : 6 - 9.4}

CHAIRMAN BERGSAGEL commented on the people's view of CI-75. Discussion followed.
{Tape : 3; Side : A; Approx. Time Counter : 9.4 - 11.2}

Mr. Greg Pettish explained the intent of **SB 194**. Questions were asked.
{Tape : 3; Side : A; Approx. Time Counter : 11.2 - 14.1}

Ms. Ellinson resumed her discussion. Comments were made.
{Tape : 3; Side : A; Approx. Time Counter : 14.1 - 18.5}

REP. BECK asked about the state's AA rating. Discussion followed.
{Tape : 3; Side : A; Approx. Time Counter : 18.5 - 20}

SEN. SWYSGOOD asked what would happen if **SB 194** failed and what kind of rating the state would have thereafter.

Ms. Ellinson responded that they would not be able to issue the bonds approved last session without this bill or a vote of the people.
{Tape : 3; Side : A; Approx. Time Counter : 20 - 22.1}

Ms. Ellinson discussed using the Coal Severance Tax to secure debt. Discussion followed.
{Tape : 3; Side : A; Approx. Time Counter : 22.1 - 28.4}

Discussion: Discussion concerning interest rates.
{Tape : 3; Side : A; Approx. Time Counter : 28.4 - 29.2}

Mr. Tom O'Connell, Architecture and Engineering Division, DOA, explained the projects that would be affected if **SB 194** did not pass which included: Capitol restoration, University of Montana Pharmacy/Psychology building and prison expansion. Questions were asked. Discussion followed.
{Tape : 3; Side : A; Approx. Time Counter : 29.2 - 3:B:1.0}

Ms. Ellinson commented on **Mr. O'Connell's** bonding policy. Comments were made.
{Tape : 3; Side : B; Approx. Time Counter : 1.1 - 2.6}

SEN LYNCH asked **Mr. O'Connell**, of the authorized bonding from last session, how much was left that needed to be issued. **Mr. O'Connell** responded. Discussion followed.

{Tape : 3; Side : B; Approx. Time Counter : 2.6 - 4.8}

Discussion: Discussion on the route that **SB 194** would be taking.

{Tape : 3; Side : B; Approx. Time Counter : 4.8 - 6.8}

CHAIRMAN BERGSAGEL asked what would happen to the bills dealing with CI-75 if the Supreme Court ruled that CI-75 was unconstitutional.

Mr. Pettish responded that most of the bills contained a contingent voiding provision stating that the bill was void if CI-75 was invalidated.

{Tape : 3; Side : B; Approx. Time Counter : 6.8 - 8.1}

Ms. Ellinson discussed how CI-75 would affect local governments and special improvement districts.

{Tape : 3; Side : B; Approx. Time Counter : 8.6 - 15.5}

Ms. Jane Hamman, OBPP, stated that **SB 193** was also a concern.

Mr. Pettish explained the intent of **SB 193**. Questions were asked.

{Tape : 3; Side : B; Approx. Time Counter : 15.5 - 20.4}

ADJOURNMENT

Adjournment: 12:00 P.M.

REP. ERNEST BERGSAGEL, Chairman

CASSANDRA DRYNAN, Secretary

EB/CD

EXHIBIT (j1h11aad)